

**BLM UNCOMPAHGRE FIELD OFFICE**  
**RMP PLANNING FACT SHEET**  
*Coal, Oil & Gas Resources*

Barbara Sharrow, UFO Field Manager  
 2465 S. Townsend Ave, Montrose, CO 81401  
 Office hours are 8:00 am to 4:30 pm  
 Phone: (970) 240-5300 | TDD (970) 240-5366  
 FAX (970) 240-5367

The BLM Uncompahgre Field Office (UFO) is revising the Resource Management Plan (RMP) for the Uncompahgre planning area. The Uncompahgre RMP will provide detailed information about the current state of resources on public lands within the planning area, and set forth a plan of action for managing those resources for the next twenty or so years under the BLM's dual mandate of *multiple use* and *sustained yield*.

### LAND OF VALUABLE RESOURCES

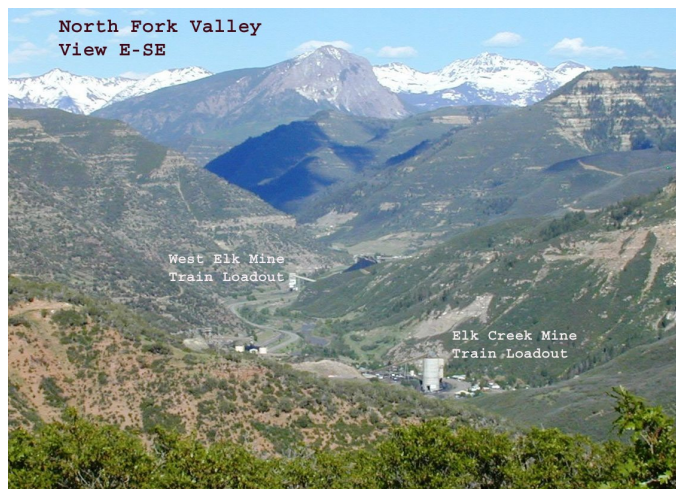
The BLM's dual mandate of multiple use and sustained yield means that BLM-administered lands are available for the exploration and development of energy resources. An RMP establishes which areas are open or closed to coal, oil, and gas leasing. The Mineral Leasing Act guides land use planning, leasing, bonding, operations, and reclamation associated with all development of federal coal, oil, and natural gas resources, as well as many other federal, state, and local laws and regulations.

Many of the impacts associated with these activities can be significantly reduced or eliminated through site-specific stipulations identified and developed through the National Environmental Policy Act (NEPA) process. These measures include reclamation, the use of best management practices, and avoiding critical wildlife habitat.

### COAL IN THE PLANNING AREA

The UFO manages several active federal coal leases related to three coal mines located in the valley of the North Fork of the Gunnison River near Paonia, Colorado. Bowie No. 2, West Elk, and Elk Creek are actively producing longwall coal mines, with a total annual output of just under 15 million tons.

While each mining operation controls coal reserves with a mix of federal and fee and/or state coal, about 90% of local production is federal. As mining progresses, only federal coal will be available in the reserve base. While some federal coal leases have a 5% royalty due to difficult geologic and engineering conditions, most of the coal is mined at an 8% royalty. The resulting revenue to the federal treasury from coal production within the planning area approaches \$25 million each year. Half of that revenue is returned to the state of Colorado.



### GAS RESOURCES IN THE PLANNING AREA

Natural gas resources are located in generally the same location north of U.S. Highway 133, across from the Delta County towns of Hotchkiss, Paonia and Bowie, the Gunnison County town of Somerset, and the area north of Paonia Reservoir. Natural gas resources occur in sedimentary strata associated with the Mancos Shale, and with coal seams in rock formations of the Mesa Verde Group. Coal and gas resources are also present in the west end of Montrose County, where they have been developed to a lesser extent.



## CURRENT OIL AND GAS LEASES

According to Colorado State historic records, 116 gas wells have been drilled in the North Fork area on federally managed oil and gas leases, including split estate lands. The North Fork area is bordered by the following: Colorado State Highway 50 on the west, Colorado State Highway 133 on the south to Paonia Reservoir, then directly north and east to the UFO boundary. Of these wells, 15 are presently producing natural gas, 29 are shut-in but capable of production, and 72 have been drilled, abandoned and plugged.



On federally managed oil and gases leases in the rest of the planning area, including split estate lands, 71 gas wells have been drilled. Of these, two are

presently producing natural gas, two are shut-in but capable of production, and 65 have been drilled, abandoned and plugged. Records show that an additional two wells have been proposed and are currently awaiting approval.

## *The BLM wants your input...*

- How should energy development, including pipelines and other infrastructure, be managed to minimize resource conflicts?
- Are there public lands that should be withdrawn from energy development because of conflicts with other public land uses? If so, where?
- Should special conditions of approval be placed on oil and gas development? If so, what and where should they be applied?
- What visual considerations relate to management of energy resources, and how should BLM's Visual Resource Management play a role?
- What are the potential social and economic benefits and impacts associated with energy development? How might planning decisions affect communities in southwest Colorado?

## WHAT IS SPLIT ESTATE?

In split estate situations, the surface and subsurface rights (such as the right to develop minerals) for a piece of land are owned by different parties.

Mineral rights are considered dominant, meaning that they take precedence over other property rights, including those associated with surface ownership. However, the mineral owner must show due regard for the interests of the surface estate owner, and occupy only those portions of the surface that are reasonably necessary to develop the mineral estate.

The BLM's split estate policy only applies to situations where the surface rights are in private ownership and the rights to development of the mineral resources are publicly held and managed by the federal government.

*For more information about how the BLM manages split estate, please view the following slide show:*

***Split Estate: Private Surface/Public Minerals—What Does it Mean to You?***

[www.blm.gov/wo/st/en/prog/energy/oil\\_and\\_gas/best\\_management\\_practices/split\\_estate.html](http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/best_management_practices/split_estate.html)

*For a detailed explanation of oil and gas leasing, development, and split estate issues, visit the following websites:*

• **BLM Colorado Oil and Gas Program**

[www.blm.gov/co/st/en/BLM\\_Programs/oilandgas.html](http://www.blm.gov/co/st/en/BLM_Programs/oilandgas.html)

• **Colorado Oil and Gas Conservation Commission**

[www.cogcc.state.co.us/](http://www.cogcc.state.co.us/)

• **UFO Oil and Gas activity can be tracked at:**

[www.blm.gov/co/st/en/BLM\\_Information/nepa/ufo.html](http://www.blm.gov/co/st/en/BLM_Information/nepa/ufo.html)

**UFO Planning Webpage:**  
[www.UFORMP.com](http://www.UFORMP.com)

**Mail comments to:**  
**Bruce Krickbaum,**  
**RMP Project Manager**  
**2465 S. Townsend Ave**  
**Montrose, CO 81401**

**Email comments to:**  
**UFORMP@blm.gov**